

**OBSERVATORY IMPROVEMENT DISTRICT NPC**  
**(Registration number 2008/020680/08)**  
**Annual Financial Statements**  
**for the year ended 30 June 2021**

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## General Information

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Improve and promote the improvement area by providing and procuring the provision of services to and in the improvement area
<b>Directors</b>	ES Angless N Moodley JK Allemeier JJ Ashley CA Everatt TH Figl JN Cronje K Cousins M Letimile
<b>Business address</b>	13A St Michael's Road Observatory Cape Town 7925
<b>Postal address</b>	13A St Michael's Road Observatory Cape Town 7925
<b>Auditors</b>	Cecil Kilpin & Co. Chartered Accountants (SA) Registered Auditor
<b>Company registration number</b>	2008/020680/08
<b>Tax reference number</b>	9024/005/19/7

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Index

---

The reports and statements set out below comprise the annual financial statements presented to the members:

<b>Index</b>	<b>Page</b>
Independent Auditor's Report	3 - 4
Directors' Responsibilities and Approval	5
Directors' Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 18
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	19

## Independent Auditor's Report

To the Members of Observatory Improvement District NPC

### Opinion

We have audited the annual financial statements of Observatory Improvement District NPC (the company) set out on pages 8 to 18, which comprise the statement of financial position as at 30 June 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Observatory Improvement District NPC as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Observatory Improvement District NPC annual financial statements for the year ended 30 June 2021", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the supplementary information as set out on page 19. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report

### Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Cecil Kilpin & Co.  
Registered Auditor  
Per Partner: Sidney Schonegevel

Century City  
Date: 30/08/2021

## Observatory Improvement District NPC

(Registration number: 2008/020316/004)

Annual Financial Statements for the year ended 30 June 2021

### Directors' Responsibilities and Approval

---

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

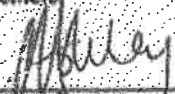
The directors have reviewed the company's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 5 to 18, which have been prepared on the going concern basis, were approved by the directors and were signed on its behalf by:


Approval of annual financial statements

  
JK Anemele

  
JJ Ashley

  
ES Angless

  
CA Everett

  
Niskendra Moodley

Date: 27/8/2021

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Directors' Report

---

The directors have pleasure in submitting their report on the annual financial statements of Observatory Improvement District NPC for the year ended 30 June 2021.

### 1. Nature of business

Observatory Improvement District NPC was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa, rest of Africa and Europe.

There have been no material changes to the nature of the company's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Directors

The directors in office at the date of this report are as follows:

Directors	Changes
ES Angless N Moodley JK Allemeier	Resigned and re-appointed on 26 November 2020
JJ Ashley	Resigned and re-appointed on 26 November 2020
CA Everatt TH Figl JN Cronje MFG Krause	Resigned 23 November 2020
K Cousins	Appointed 26 November 2020
M Letimile	Appointed 26 November 2020

### 4. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Directors' Report

---

### 6. Auditors

Cecil Kilpin & Co. continued in office as auditors for the company for 2021.

At the AGM, the shareholders will be requested to reappoint Cecil Kilpin & Co. as the independent external auditors of the company and to confirm Mr Sidney Schonegevel as the designated lead audit partner for the 2022 financial year.

### 7. Secretary

The company secretary is U Genthe.

#### Postal address

13A St Michael's Road  
Observatory  
Cape Town  
7925

#### Business address

13A St Michael's Road  
Observatory  
Cape Town  
7925



# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Financial Position as at 30 June 2021

	Note(s)	2021 R	2020 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	126 846	200 384
<b>Current Assets</b>			
Trade and other receivables	3	120 251	400 732
Cash and cash equivalents	4	2 284 130	3 038 388
		<b>2 404 381</b>	<b>3 439 120</b>
<b>Total Assets</b>		<b>2 531 227</b>	<b>3 639 504</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		2 067 163	3 501 491
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	452 171	138 013
Current tax payable		11 893	-
		<b>464 064</b>	<b>138 013</b>
<b>Total Equity and Liabilities</b>		<b>2 531 227</b>	<b>3 639 504</b>

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comprehensive Income

	Note(s)	2021 R	2020 R
Revenue	6	6 748 662	6 163 162
Other income	7	2 688	308 318
Operating expenses		(8 266 810)	(6 887 817)
<b>Operating (deficit) surplus</b>	8	<b>(1 515 460)</b>	<b>(416 337)</b>
Investment revenue	9	93 025	212 436
<b>Deficit before taxation</b>		<b>(1 422 435)</b>	<b>(203 901)</b>
Taxation	10	(11 893)	-
<b>Deficit for the year</b>		<b>(1 434 328)</b>	<b>(203 901)</b>
Other comprehensive income		-	-
<b>Total comprehensive deficit for the year</b>		<b>(1 434 328)</b>	<b>(203 901)</b>

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Changes in Equity

	Retained income R	Total equity R
<b>Balance at 01 July 2019</b>	<b>3 705 392</b>	<b>3 705 392</b>
Deficit for the year	(203 901)	(203 901)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(203 901)</b>	<b>(203 901)</b>
<b>Balance at 01 July 2020</b>	<b>3 501 491</b>	<b>3 501 491</b>
Deficit for the year	(1 434 328)	(1 434 328)
Other comprehensive income	-	-
<b>Total comprehensive deficit for the year</b>	<b>(1 434 328)</b>	<b>(1 434 328)</b>
<b>Balance at 30 June 2021</b>	<b>2 067 163</b>	<b>2 067 163</b>

Note(s)

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Statement of Cash Flows

	Note(s)	2021 R	2020 R
<b>Cash flows from operating activities</b>			
Cash used in operations	11	(828 857)	(757 649)
Interest income		93 025	212 436
<b>Net cash from operating activities</b>		<b>(735 832)</b>	<b>(545 213)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(18 426)	(85 416)
<b>Total cash movement for the year</b>		<b>(754 258)</b>	<b>(630 629)</b>
Cash at the beginning of the year		3 038 388	3 669 017
<b>Total cash at end of the year</b>	4	<b>2 284 130</b>	<b>3 038 388</b>

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

---

### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS for SME's requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

##### Key sources of estimation uncertainty

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

---

Item	Depreciation method	Average useful life
Security equipment	Straight line	3 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	4 years
IT equipment	Straight line	3 years
Other fixed assets	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

---

### 1.2 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 1.3 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

#### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

### 1.4 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

#### Tax expenses

The non-profit company is taxed in terms of section 10(1)(e) of the Income Tax Act, 1962. In terms of this section investment income is exempt up to a maximum of R50,000 per annum. Therefore, taxation is calculated and provided for on investment income greater than R50,000 per annum less a portion of deductible administrative expenses.

### 1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

---

### 1.5 Leases (continued)

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

### 1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

### 1.7 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

### 1.8 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
--	-----------	-----------

### 2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	73 335	(43 109)	30 226	70 795	(35 558)	35 237
Motor vehicles	231 268	(183 990)	47 278	231 268	(169 071)	62 197
Office equipment	21 819	(21 809)	10	24 119	(24 108)	11
IT equipment	82 791	(53 876)	28 915	102 952	(76 551)	26 401
Security equipment	177 256	(156 839)	20 417	177 256	(100 720)	76 536
Other fixed assets	5 140	(5 140)	-	24 469	(24 467)	2
<b>Total</b>	<b>591 609</b>	<b>(464 763)</b>	<b>126 846</b>	<b>630 859</b>	<b>(430 475)</b>	<b>200 384</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	35 237	2 540	-	(7 551)	30 226
Motor vehicles	62 197	-	-	(14 919)	47 278
Office equipment	11	-	(1)	-	10
IT equipment	26 401	15 886	(1)	(13 371)	28 915
Security equipment	76 536	-	-	(56 119)	20 417
Other fixed assets	2	-	(2)	-	-
	<b>200 384</b>	<b>18 426</b>	<b>(4)</b>	<b>(91 960)</b>	<b>126 846</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	43 881	-	-	(8 644)	35 237
Motor vehicles	23 602	44 995	-	(6 400)	62 197
Office equipment	16	-	(5)	-	11
IT equipment	4 482	30 700	(1)	(8 780)	26 401
Security equipment	131 551	9 721	(4)	(64 732)	76 536
Other fixed assets	1 373	-	-	(1 371)	2
	<b>204 905</b>	<b>85 416</b>	<b>(10)</b>	<b>(89 927)</b>	<b>200 384</b>

### 3. Trade and other receivables

Deposits	86 825	86 825
Prepayments	33 426	313 907
	<b>120 251</b>	<b>400 732</b>



# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R		
<b>4. Cash and cash equivalents</b>				
Cash and cash equivalents consist of:				
Cash on hand	3 195	68		
Bank balances	1 278 020	814 117		
Fixed deposits	1 002 915	2 224 203		
	<b>2 284 130</b>	<b>3 038 388</b>		
<b>Investec Bank Fixed Deposit</b>	<b>Reinvested amount</b>	<b>Term</b>	<b>Interest</b>	<b>Maturity date</b>
Account number 1100544020500	1 002 915	12 months	6.60% - interest capitalised monthly	30/06/2021
<b>5. Trade and other payables</b>				
Trade payables	207 301	3 001		
VAT	71 859	8 893		
Accrued expenses	148 745	107 653		
Deposits received	24 266	18 466		
	<b>452 171</b>	<b>138 013</b>		
<b>6. Revenue</b>				
Rendering of services	6 748 662	6 163 162		
<b>7. Other income</b>				
Other income	2 688	2 417		
Retention refunded	-	305 901		
	<b>2 688</b>	<b>308 318</b>		
As at 30 June 2021 the retention held by City of Cape Town amounted to R208,722.				
<b>8. Operating (deficit) surplus</b>				
Operating (deficit) surplus for the year is stated after accounting for the following:				
<b>Operating lease charges</b>				
Premises				
• Contractual amounts	326 779	299 078		
Property, plant and equipment	(4)	(10)		
Depreciation on property, plant and equipment	91 960	89 927		
Employee costs	1 843 231	1 614 894		
<b>9. Investment revenue</b>				
<b>Interest revenue</b>				
Bank	93 025	212 436		

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>10. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
South African normal tax - current year	11 893	-
<p>The non-profit company is subject to tax at the company rate of 28% on the net investment income, in excess of R 50,000, in terms of Section 10(1)(e) of the Income Tax Act.</p>		
<b>11. Cash used in operations</b>		
Deficit before taxation	(1 422 435)	(203 901)
<b>Adjustments for:</b>		
Depreciation and amortisation	91 960	89 927
Deficit on sale of assets	4	10
Interest received	(93 025)	(212 436)
<b>Changes in working capital:</b>		
Trade and other receivables	280 481	(299 124)
Trade and other payables	314 158	(132 125)
	<b>(828 857)</b>	<b>(757 649)</b>
<b>12. Auditor's remuneration</b>		
Fees	19 250	17 500
Adjustment for previous year	-	(1 350)
	<b>19 250</b>	<b>16 150</b>

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>13. Prescribed officer's remuneration</b>		
<b>Executive</b>		
<b>Prescribed officers</b>		
<b>2021</b>		
<b>Chief Executive Officer</b>	<b>Emoluments</b>	<b>Total</b>
Mrs AJ Kirk	406 907	406 907
<b>2020</b>		
<b>Chief Executive Office</b>	<b>Emoluments</b>	<b>Total</b>
Mrs AJ Kirk	393 285	393 285

### 14. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

## Detailed Income Statement

	Note(s)	2021 R	2020 R
<b>Revenue</b>			
Income - Services Rendered		6 748 662	6 163 162
<b>Other income</b>			
Other income		2 688	2 417
Retention refunded		-	305 901
		<b>2 688</b>	<b>308 318</b>
<b>Operating expenses</b>			
Accounting fees		55 475	50 775
AGM expenses		7 592	8 548
Auditors remuneration	12	19 250	16 150
Bank charges		11 274	10 047
Cleaning		97 876	96 490
Communications		114 765	146 584
Compensation for Occupational Injuries & diseases		40 953	26 312
Computer expenses		23 021	31 270
Consulting fees		-	6 375
Covid-19 expenses		35 211	224 931
Depreciation, amortisation and impairments		91 960	89 927
Donations		-	150
Employee cost - PAYE & UIF		283 252	252 030
Employee costs		1 843 231	1 614 894
Environmental upgrading		111 780	120 493
Insurance		20 318	18 904
Law enforcement officers		-	320 332
Lease rentals on operating lease		326 779	299 078
Motor vehicle expenses		30 392	20 688
Printing and stationery		16 334	14 462
Projects - Business Dev't		6 324	-
Projects - Public Spaces		263 849	-
Projects - Social Upliftment		425 006	360 892
Projects - Supportive Housing		378 425	-
Projects - Other		-	33 241
Rates and municipal services		42 354	50 836
Repairs and maintenance		8 412	6 845
Scrapping of assets		4	10
Secretarial fees		11 321	7 113
Security		3 901 885	2 990 336
Small tools under R7000		1 832	1 825
Social upliftment		59 305	22 618
Staff clothing		5 559	9 272
Staff welfare		18 700	19 999
Telephone		14 371	16 390
		<b>8 266 810</b>	<b>6 887 817</b>
<b>Operating deficit</b>	8	<b>(1 515 460)</b>	<b>(416 337)</b>
Investment income	9	93 025	212 436
<b>Deficit before taxation</b>		<b>(1 422 435)</b>	<b>(203 901)</b>
Taxation	10	(11 893)	-
<b>Deficit for the year</b>		<b>(1 434 328)</b>	<b>(203 901)</b>